

## HB0002S01 compared with HB0002

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inserted text shows text that was not in HB0002 but was inserted into HB0002S01.

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Representative Joel K. Briscoe proposes the following substitute bill:

### PUBLIC EDUCATION BUDGET AMENDMENTS

2015 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Dean Sanpei**

Senate Sponsor: Lyle W. Hillyard

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#### LONG TITLE

##### General Description:

This bill supplements or reduces appropriations previously provided for school districts, charter schools, and certain state education agencies for the fiscal year beginning July 1, 2015, and ending June 30, 2016, and modifies related budgetary provisions.

##### Highlighted Provisions:

This bill:

- ▶ extends, for an additional year, a provision that allows the number of weighted pupil units assigned to a charter school to be based on the higher of:
  - October 1 enrollment in the current school year; or
  - average daily membership in the prior school year plus growth;
- ▶ provides budget increases and decreases for the use and support of certain state education agencies;

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- ▶ provides budget increases and decreases for programs that support school districts and charter schools;
- ▶ provides intent language;
- ▶ establishes the value of the weighted pupil unit for fiscal year 2015-16 at:
  - \$2,~~{837}~~864 for the special education and career and technology add-on programs; and
  - \$3,~~{092}~~122 for all other programs; and
- ▶ makes technical changes, including deleting outdated language.

### Money Appropriated in this Bill:

This bill appropriates for fiscal year 2016:

- ▶ \$635,000 from the General Fund;
- ▶ \$7,000,000 from the Uniform School Fund;
- ▶ ~~{246}~~\$272, ~~{430}~~423, ~~{500}~~700 from the Education Fund; and
- ▶ \$24,983,100 from various sources as detailed in this bill.

### Other Special Clauses:

This bill provides a special effective date.

### Utah Code Sections Affected:

AMENDS:

**53A-1a-513**, as last amended by Laws of Utah 2013, Chapter 470

### Uncodified Material Affected:

ENACTS UNCODIFIED MATERIAL

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*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **53A-1a-513** is amended to read:

#### **53A-1a-513. Funding for charter schools.**

(1) As used in this section:

(a) "Charter school students' average local revenues" means the amount determined as follows:

(i) for each student enrolled in a charter school on the previous October 1, calculate the district per pupil local revenues of the school district in which the student resides;

(ii) sum the district per pupil local revenues for each student enrolled in a charter

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school on the previous October 1; and

(iii) divide the sum calculated under Subsection (1)(a)(ii) by the number of students enrolled in charter schools on the previous October 1.

(b) "District local property tax revenues" means the sum of a school district's revenue received from the following levies:

~~[(i) (A) a voted levy imposed under Section 53A-17a-133;]~~

~~[(B) a board levy imposed under Section 53A-17a-134;]~~

~~[(C) a 10% of basic levy imposed under Section 53A-17a-145;]~~

~~[(D) a tort liability levy imposed under Section 63G-7-704;]~~

~~[(E) a capital outlay levy imposed under Section 53A-16-107; and]~~

~~[(F) a voted capital outlay levy imposed under Section 53A-16-110; or]~~

~~[(ii) (A)] (i) a voted local levy imposed under Section 53A-17a-133;~~

~~[(B)] (ii) a board local levy imposed under Section 53A-17a-164, excluding revenues expended for:~~

~~[(H) (A) recreational facilities and activities authorized under Title 11, Chapter 2, Playgrounds;~~

~~[(H) (B) pupil transportation, up to the amount of revenue generated by a .0003 per dollar of taxable value of the school district's board local levy; and~~

~~[(H) (C) the K-3 Reading Improvement Program, up to the amount of revenue generated by a .000121 per dollar of taxable value of the school district's board local levy; and~~

~~[(C)] (iii) a capital local levy imposed under Section 53A-16-113.~~

(c) "District per pupil local revenues" means an amount equal to the following, using data from the most recently published school district annual financial reports and state superintendent's annual report:

(i) district local property tax revenues; divided by

(ii) the sum of:

(A) a school district's average daily membership; and

(B) the average daily membership of a school district's resident students who attend charter schools.

(d) "Resident student" means a student who is considered a resident of the school district under Title 53A, Chapter 2, Part 2, District of Residency.

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(e) "Statewide average debt service revenues" means the amount determined as follows, using data from the most recently published state superintendent's annual report:

(i) sum the revenues of each school district from the debt service levy imposed under Section 11-14-310; and

(ii) divide the sum calculated under Subsection (1)(e)(i) by statewide school district average daily membership.

(2) (a) Charter schools shall receive funding as described in this section, except Subsections (3) through (8) do not apply to charter schools described in Subsection (2)(b).

(b) Charter schools authorized by local school boards that are converted from district schools or operate in district facilities without paying reasonable rent shall receive funding as prescribed in Section 53A-1a-515.

(3) (a) Except as provided in Subsections (3)(b) and (3)(c), a charter school shall receive state funds, as applicable, on the same basis as a school district receives funds.

(b) For the [~~2013-14 and 2014-15 school years~~] 2015-16 school year, the number of weighted pupil units assigned to a charter school for the kindergarten and grades 1 through 12 programs of the Basic School Program shall be:

(i) based on the higher of:

(A) October 1 enrollment in the current school year; or

(B) average daily membership in the prior school year plus growth as determined under Section 53A-17a-106; and

(ii) weighted as provided in Subsection (3)(c).

(c) In distributing funds under Chapter 17a, Minimum School Program Act, to charter schools, charter school pupils shall be weighted, where applicable, as follows:

(i) .55 for kindergarten pupils;

(ii) .9 for pupils in grades 1 through 6;

(iii) .99 for pupils in grades 7 through 8; and

(iv) 1.2 for pupils in grades 9 through 12.

(4) (a) (i) A school district shall allocate a portion of school district revenues for each resident student of the school district who is enrolled in a charter school on October 1 equal to 25% of the lesser of:

(A) district per pupil local revenues; or

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(B) charter school students' average local revenues.

(ii) Nothing in this Subsection (4)(a) affects the school bond guarantee program established under Chapter 28, Utah School Bond Guaranty Act.

(b) The State Board of Education shall:

(i) deduct an amount equal to the allocation provided under Subsection (4)(a) from state funds the school district is authorized to receive under Chapter 17a, Minimum School Program Act; and

(ii) remit the money to the student's charter school.

(c) Notwithstanding the method used to transfer school district revenues to charter schools as provided in Subsection (4)(b), a school district may deduct the allocations to charter schools under this section from:

(i) unrestricted revenues available to the school district; or

(ii) the revenue sources listed in Subsection (1)(b) based on the portion of the allocations to charter schools attributed to each of the revenue sources listed in Subsection (1)(b).

(d) (i) Subject to future budget constraints, the Legislature shall provide an appropriation for charter schools for each student enrolled on October 1 to supplement the allocation of school district revenues under Subsection (4)(a).

(ii) Except as provided in Subsection (4)(d)(iii), the amount of money provided by the state for a charter school student shall be the sum of:

(A) charter school students' average local revenues minus the allocation of school district revenues under Subsection (4)(a); and

(B) statewide average debt service revenues.

(iii) If the total of a school district's allocation for a charter school student under Subsection (4)(a) and the amount provided by the state under Subsection (4)(d)(ii) is less than \$1427, the state shall provide an additional supplement so that a charter school receives at least \$1427 per student under this Subsection (4).

(iv) (A) If the appropriation provided under this Subsection (4)(d) is less than the amount prescribed by Subsection (4)(d)(ii) or (4)(d)(iii), the appropriation shall be allocated among charter schools in proportion to each charter school's enrollment as a percentage of the total enrollment in charter schools.

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(B) If the State Board of Education makes adjustments to Minimum School Program allocations as provided under Section 53A-17a-105, the allocation provided in Subsection (4)(d)(iv)(A) shall be determined after adjustments are made under Section 53A-17a-105.

(e) Of the money provided to a charter school under this Subsection (4), 10% shall be expended for funding school facilities only.

(5) Charter schools are eligible to receive federal funds if they meet all applicable federal requirements and comply with relevant federal regulations.

(6) The State Board of Education shall distribute funds for charter school students directly to the charter school.

(7) (a) Notwithstanding Subsection (3), a charter school is not eligible to receive state transportation funding.

(b) The board shall also adopt rules relating to the transportation of students to and from charter schools, taking into account Sections 53A-2-210 and 53A-17a-127.

(c) The governing body of the charter school may provide transportation through an agreement or contract with the local school board, a private provider, or with parents.

(8) (a) (i) In accordance with Section 53A-1a-513.5, the State Charter School Board may allocate grants for start-up costs to charter schools from money appropriated for charter school start-up costs.

(ii) The governing board of a charter school that receives money from a grant under Section 53A-1a-513.5 shall use the grant for expenses for planning and implementation of the charter school.

(b) The State Board of Education shall coordinate the distribution of federal money appropriated to help fund costs for establishing and maintaining charter schools within the state.

(9) (a) A charter school may receive, hold, manage and use any devise, bequest, grant, endowment, gift, or donation of any property made to the school for any of the purposes of this part.

(b) It is unlawful for any person affiliated with a charter school to demand or request any gift, donation, or contribution from a parent, teacher, employee, or other person affiliated with the charter school as a condition for employment or enrollment at the school or continued attendance at the school.

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### Section 2. **One-time appropriation for classroom supplies.**

(1) As used in this section, "classroom teacher" or "teacher" means permanent teacher positions filled by one teacher or two or more job-sharing teachers:

(a) who are licensed personnel;

(b) who are paid on the teacher's salary schedule;

(c) who are hired for an entire contract period; and

(d) whose primary function is to provide instructional or a combination of instructional and counseling services to students in public schools.

(2) (a) The State Board of Education shall distribute money appropriated for teacher supplies and materials to classroom teachers in school districts, the Utah Schools for the Deaf and the Blind, and charter schools on the basis of the number of classroom teachers in each school as compared to the total number of classroom teachers.

(b) Teachers shall receive up to the following amounts:

(i) \$250 for a teacher on salary schedule steps one through three teaching in kindergarten through grade 6 or preschool handicapped;

(ii) \$200 for a teacher on salary schedule steps one through three teaching in grades 7 through 12;

(iii) \$175 for a teacher on salary schedule step four or higher teaching in kindergarten through grade 6 or preschool handicapped; and

(iv) \$150 for a teacher on salary schedule step four or higher teaching in grades 7 through 12.

(c) If the appropriation is not sufficient to provide to each teacher the full amount allowed under Subsection (2)(b), teachers on salary schedule steps one through three shall receive the full amount allowed with the remaining money apportioned to all other teachers.

(3) Teachers shall spend money appropriated for classroom supplies and materials for school supplies, materials, or field trips under rules adopted by the State Board of Education.

### Section 3. **Operating and capital budgets -- FY 2016 appropriations for state education agencies, school districts, and charter schools -- Value of the weighted pupil unit.**

(1) Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, for the fiscal year beginning July 1, 2015, and ending June 30, 2016, the following sums of

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money are appropriated from resources not otherwise appropriated, or reduced from amounts previously appropriated, out of the funds or accounts indicated. These sums of money are in addition to any amounts previously appropriated for fiscal year 2016.

(2) The value of each weighted pupil unit (WPU) for fiscal year 2015-16 is increased from the value of the WPU for fiscal year 2015-16 established in S.B. 1, Public Education Base Budget Amendments, and set at:

(a) \$2, ~~837~~ 864 for:

(i) Special Education -- Add-on; and

(ii) Career & Technical Education District Add-on; and

(b) \$3, ~~092~~ 122 for all other programs.

### STATE BOARD OF EDUCATION - MINIMUM SCHOOL PROGRAM

#### ITEM 1 To State Board of Education - Minimum School Program - Basic School Program

From Uniform School Fund	(3,000,000)
From Uniform School Fund, One-time	10,000,000
From Education Fund	<del>123,960,200</del> <u>148,482,300</u>
From Education Fund, One-time	(10,000,000)
From Local Revenue	8,462,600
From Beginning Nonlapsing Appropriation Balances	18,473,900
From Closing Nonlapsing Appropriation Balances	(18,473,900)

#### Schedule of Programs:

Kindergarten (-896 WPUs)	<del>735</del> <u>1,584</u> , <del>300</del> <u>900</u>
Grades 1 - 12 (7,694 WPUs)	<del>90</del> <u>107,290</u> , <del>405,400</del> <u>100</u>
Necessarily Existent Small Schools	<u>1</u> , <del>122</del> <u>403</u> , <del>800</del> <u>600</u>
Professional Staff (710 WPUs)	<del>8,560</del> <u>10</u> , <del>300</del> <u>172,800</u>
Administrative Costs	<del>180</del> <u>225</u> , <del>600</del> <u>700</u>
Special Education - Add-on (2,143 WPUs)	= <del>14</del> <u>16</u> , <del>181</del> <u>210</u> , <del>700</del> <u>300</u>
Special Education - Preschool (125 WPUs)	<u>1</u> , <del>556</del> <u>853</u> , <del>900</del> <u>200</u>
Special Education - Self-contained (-360 WPUs)	<del>60</del> <u>1,018</u> , <del>100</del> <u>900</u>

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Special Education - Extended School Year	<del>51</del> , <u>64</u> , <del>500</del> , <u>300</u>
Special Education - State Programs (351 WPUs)	<u>1</u> , <del>434</del> , <u>531</u> , <del>100</del> , <u>900</u>
Career and Technical Education - Add-on	<del>4,375</del> , =
	<u>5</u> , <del>300</del> , <u>187,600</u>
(380 WPUs)	
Class Size Reduction (499 WPUs)	<del>6,217</del> , =
	<u>7</u> , <del>800</del> , <u>401,600</u>

The Legislature intends that the State Board of Education develop minimum program standards, including maximum class size limits in kindergarten through grade 3, that local education agencies must meet in order to continue to receive Class Size Reduction funding. The Legislature also intends that the State Board of Education develop an estimate of the cost necessary to limit class sizes in kindergarten through grade 3, without impacting class sizes in grades 4 through 12. The Legislature also intends that the State Board of Education report the standards and estimated costs to the Education Interim Committee and the Public Education Appropriations Subcommittee by October 31, 2015.

### ITEM 2 To State Board of Education - Minimum School Program - Related to Basic School Programs

From Education Fund	<del>81</del> , <u>82</u> , <del>369</del> , <u>840</u> , <del>400</del> , <u>500</u>
From Education Fund, One-time	16,400,000
From Interest and Dividends Account	2,149,300
From Beginning Nonlapsing Appropriation Balances	13,347,600
From Closing Nonlapsing Appropriation Balances	(13,347,600)
Schedule of Programs:	
To and From School - Pupil Transportation	<del>1</del>
	<u>9</u> , <u>10</u> , <del>852,200</del> , <u>610,500</u>
Flexible Allocation - WPU Distribution	23,106,600
Enhancement for At-Risk Students	1, <del>304,600</del> , <u>561,400</u>
Youth in Custody	1, <del>065</del> , <u>275</u> , <del>500</del> , <u>200</u>
Adult Education	<del>523</del> , <u>626,400</u>
Enhancement for Accelerated Students	<del>232</del> , <u>278</u> , <del>800</del> , <u>400</u>
Concurrent Enrollment	<u>3</u> , <del>496</del> , <u>593</u> , <del>100</del> , <u>800</u>

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School LAND Trust Program	<u>2,149,300</u>
Charter School Local Replacement	<u>25,015,000</u>
Charter School Administration	<u>83,200</u>
K-3 Reading Improvement	<u>2,600,000</u>
Educator Salary Adjustments	<u>3,430,000</u>
USFR Teacher Salary Supplement Restricted	<u>1,500,000</u>
Account	
School Library Books and Electronic Resources	<u>1,050,000</u>
Matching Funds for School Nurses	<u>60,000</u>
Critical Languages and Dual Immersion	<u>600,000</u>
USTAR Centers (Year-Round Math and Science)	<u>6,200,000</u>
Teacher Supplies and Materials	<u>6,000,000</u>
Beverly Taylor Sorenson Elementary Arts	<u>4,500,000</u>
Civics Education - State Capitol Field Trips	<u>150,000</u>
K-12 Digital Literacy	<u>5,000,000</u>
Special Education - Intensive Services	<u>2,000,000</u>

The Legislature intends that the appropriation for the Flexible Allocation - WPU Distribution program be distributed to school districts and charter schools on the basis of the number of weighted pupil units in a school district or charter school compared to the total number of weighted pupil units and that the State Board of Education provide for the reporting of school district and charter school expenditures of the program money. ~~††~~

The Legislature intends that the State Board of Education review the Pupil Transportation Allocation Formula and recommend ways to improve the formula to increase efficiency, simplify allocation methodology to school districts, and provide incentives for alternative transportation methods. The Legislature further intends that the State Board of Education report its recommendations to the Education Interim Committee and the Public Education Appropriations Subcommittee by October 31, 2015.

The Legislature intends that the State Board of Education and State Board of Regents provide joint recommendations on how to ensure that each concurrent enrollment course is taught by a qualified instructor, that credits earned by students count towards major and minor degree requirements at state colleges and universities, and that students are advised on the

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transferability of credits to private and out of state institutions. The Legislature also intends that these recommendations be reported to the Education Interim Committee and the Public Education Appropriations Committee by October 31, 2015.

### ITEM 3 To State Board of Education - Minimum School Program - Voted and Board Local

#### Levy Programs

From Education Fund	23,023,600
From Local Revenue	12,456,100
Schedule of Programs:	
Voted Local Levy Program	<u>28,779,000</u>
Board Local Levy Program	<u>6,700,700</u>

#### STATE BOARD OF EDUCATION

### ITEM 4 To State Board of Education - State Office of Education

From Education Fund	1,545,000
From Education Fund, One-time	1,090,300
From General Fund Restricted - Mineral Lease	300
From General Fund Restricted - Substance Abuse Prevention	200
From Interest and Dividends Account	2,200
From Revenue Transfers - Indirect Costs	2,265,400
Schedule of Programs:	
Assessment and Accountability	<del>206,600</del>
Educational Equity	<del>(37,100)</del>
Board and Administration	<del>6,159,300</del>
Business Services	58,400
Career and Technical Education	<u>(388,200)</u>
District Computer Services	<u>(401,000)</u>
Federal Elementary and Secondary Education Act	<u>(166,300)</u>
Law and Legislation	<u>(28,500)</u>
Public Relations	<u>(12,700)</u>
School Trust	<u>(48,200)</u>
Special Education	<u>(183,600)</u>
Teaching and Learning	<u>(255,300)</u>

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The Legislature intends that the State Board of Education use any nonlapsing balances generated from the licensing of Student Assessment of Growth and Excellence (SAGE) questions to other states to develop additional assessment questions and provide professional learning for Utah educators.

The Legislature intends that the State Board of Education use the revenue bond savings of \$264,700 from the Education Fund to support a portion of the State Board of Education's Risk Mitigation Plan.

### ITEM 5 To State Board of Education - Utah State Office of Education - Initiative Programs

From General Fund, One-time	635,000
From Education Fund	50,000
From Education Fund, One-time	4,300,000
From Revenue Transfers - Indirect Costs	(31,100)

#### Schedule of Programs:

Contracts and Grants	50,000
Electronic High School	(14,300)
Upstart Early Childhood Education	1,000,000
ProStart Culinary Arts Program	300,000
General Financial Literacy	(5,600)
Carson Smith Scholarships	623,800
Early Intervention	3,000,000

### ITEM 6 To State Board of Education - State Charter School Board

From Education Fund	200,000
From Revenue Transfers - Indirect Costs	(49,100)

#### Schedule of Programs:

State Charter School Board	150,900
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### ITEM 7 To State Board of Education - Educator Licensing Professional Practices

From Professional Practices Restricted Subfund	1,700
From Revenue Transfers - Indirect Costs	(106,800)

#### Schedule of Programs:

Educator Licensing	(105,100)
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### ITEM 8 To State Board of Education - State Office of Education - Child Nutrition

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From Federal Funds	(19,159,300)
From Revenue Transfers - Indirect Costs	(167,700)
Schedule of Programs:	
Child Nutrition	(19,327,000)
ITEM 9 To State Board of Education - Child Nutrition - Federal Commodities	
From Federal Funds	19,159,300
Schedule of Programs:	
Child Nutrition - Federal Commodities	19,159,300
ITEM 10 To State Board of Education - Fine Arts Outreach	
From Education Fund	100,000
From Education Fund, One-time	750,000
Schedule of Programs:	
Professional Outreach Programs	600,000
Requests for Proposals	250,000
ITEM 11 To State Board of Education - Science Outreach	
From Education Fund	1,790,000
Schedule of Programs:	
Informal Science Education Enhancement	1,790,000
ITEM 12 To State Board of Education - Utah Schools for the Deaf and the Blind	
From Education Fund	1,200,000
From Education Fund, One-time	652,000
Schedule of Programs:	
Instructional Services	= 300,000
Support Services	= 1,552,000

Section 4. **Effective date.**

This bill takes effect on July 1, 2015.

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~~as of 3-9-15 11:52 AM~~

~~Office of Legislative Research and General Counsel}~~